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CIA Renegade Lurks Behind Egypt Scandal

The sinister figure of fugitive ex-CIA agent Edwin Wilson lurks disturbingly in the background of a multimillion-dollar scandal involving the highest officials in Egypt today.

I have uncovered evidence that establishes direct links between the surreptitious award of a lucrative arms shipment contract and the men who are now the deputy prime minister and defense minister of Egypt. Another official deeply involved is the brother-in-law of Egypt's new president, Hosni Mubarak, who as vice president learned of the back-room deal but did nothing to stop it.

The company that was secretly given the exclusive contract to ship billions of dollars' worth of U.S. arms to Egypt was called Tersam. It is ostensibly headed by an Egyptian businessman named Hussein Salem.

But in a telephone interview with my associates Indy Badhwar and Dale Van Atta, Salem acknowledged that an Abu Dhabi merchant, Ali Shorafa, helped create Tersam. Shorafa happens to be a Palestinian, and he continues to have a hidden interest in the firm.

The tie to Wilson is through a

former CIA official, Thomas Clines, who was deputy director of covert operations before his retirement in October 1978. Salem turned to Clines when Tersam's secret contract appeared to be in trouble; the Pentagon considered the company unqualified to handle the shipments.

Salem needed an American with good Washington connections, and Clines filled the bill. He was an old CIA buddy of Wilson; the two have been linked with companies secretly owned by the agency. At the time Salem came along looking for an American partner, Clines was already running a company with backing from his friend Wilson.

The solution to Tersam's difficulties was twofold: the company was reorganized into the Egyptian American Transport Services Co., with Clines as a 49 percent owner. Then the firm's competitors for the juicy shipping contract were to be bought off or forced out of the running.

The experience of the last potential rival to Egyptian American Transport bordered on the melodramatic. It took place in September 1979 in a suite at the ritzy Madison Hotel in Washington.

The businessman was confronted by Clines, who began bragging about his connections in the CIA. The visitor was impressed by the presence of armed guards and the Egyptian military attache, Gen. Abu Ghazala, who is now defense minister.

After Clines and the Egyptians got him to agree to a phony subcontract in return for his silence, the competitor was taken to a nearby room, where more armed guards ushered him into the presence of the then-minister of defense, Gen. Kamal Hassan Ali, now deputy prime minister.

Ali asked the businessman if he was satisfied with the under-the-table deal. The competitor assured him he was, though ultimately the payoff was never consummated.

There is another mysterious link between the high Egyptian officials and Wilson, who jumped bail on charges of smuggling explosives to Libya and is now hiding in Tripoli under the protection of dictator Muammar Qaddafi. Both Ali's and Ghazala's names were found in notes confiscated from a former Wilson mercenary arrested for the attempted killing last year of a dissident Libyan student in Colorado.

The CIA denies my report that Wilson met in Rome last July with an agency official. But my sources insist that the CIA desperately wants to know what sensitive operations Wilson might reveal if he is brought back to face charges. As one source said enigmatically, the agency is most afraid he'll blow the whistle on "CIA involvement in deaths in the Middle East which he is aware of—and CIA activities in Egypt."